

THE IA GENDER PAY GAP REPORT

THE
INVESTMENT
ASSOCIATION

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The Investment Association (IA) is committed to playing its part in creating a diverse and inclusive UK investment management industry at all levels. This includes supporting the Hampton-Alexander review’s ambition to increase women on boards across the FTSE 350 to 33% by 2020 and to increase female representation in Executive Committees and their direct reports.

As the representative body for the industry, we felt we should also demonstrate our own record on diversity. And so for the second year we are voluntarily publishing our own gender pay gap report. This is mandatory for companies of more than 250 staff, but we have chosen to do so as we believe greater transparency is an important step in helping to drive change and increase gender diversity.

WHAT WE ARE REPORTING

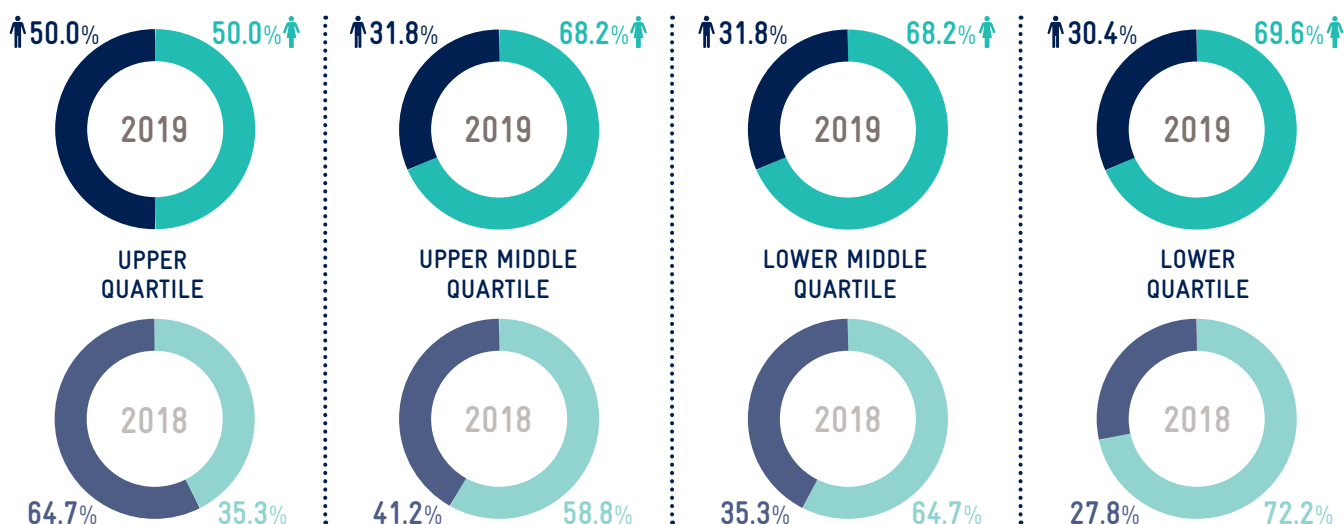
The gender pay gap is often conflated with equal pay but they are different. Equal pay is paying men and women the same for doing the same or similar jobs, or work of equal value. It has been illegal for over 40 years not to pay on this basis. In contrast, the gender pay gap shows the differences in the average pay of men and women across all jobs and levels of an organisation.

THE IA’S 2019 GENDER PAY GAP

This year’s data relates to the IA’s 89-strong workforce on April 5 2019, the ‘snapshot date’ which all companies are required to focus on. On this date, the IA had a gender pay gap of 15.9% (median) and 30.3% (mean). This is a significant reduction from 31.5% (median) and 38.5% (mean) at the same snapshot date last year. The progress is welcome, but we would like to see this gap close further in the future.

The chart below sets out the percentage of male and female staff in each pay quartile at the IA. This shows that the upper quartile of our organisation now has a 50/50 gender split, compared with a 65/35 split in favour of men in 2018. The result demonstrates our ongoing commitment to HM Treasury’s Women in Finance Charter.

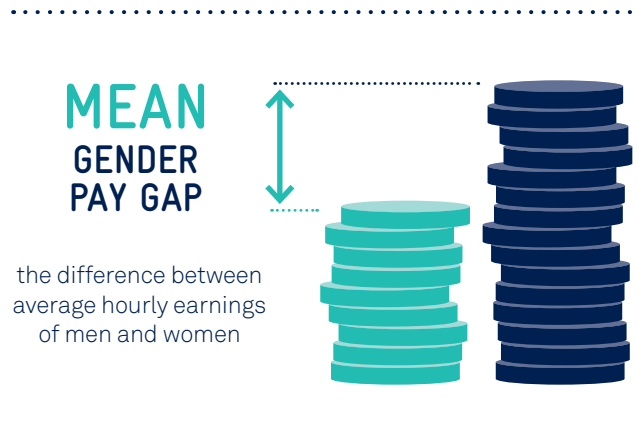
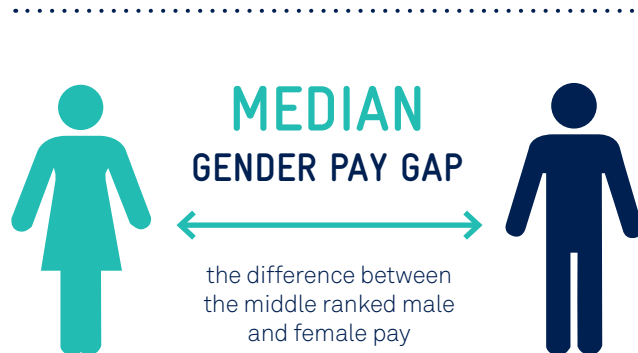
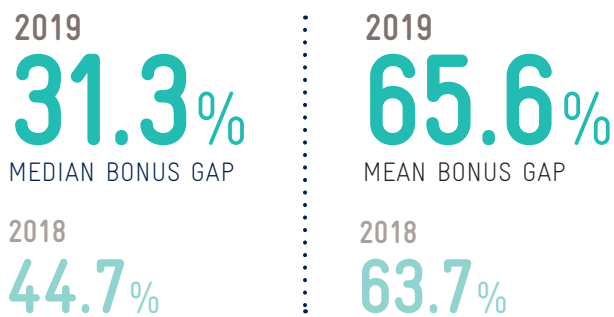
PERCENTAGE OF MALE AND FEMALE STAFF IN EACH PAY QUARTILE AT THE IA



This increase of female employees in higher levels of the organisation is also noticeable in the upper middle quartile, where the percentage of female employees has risen from 59% to 68% since 2018.

Closing the gap further requires us to improve the gender split at lower levels of the organisation.

On the snapshot date of April 5 2019, the IA had a bonus gap of 31.3% (median) and 65.6% (mean). This compares with 44.7% (median) and 63.7% (mean) in 2018. The slight rise in the mean bonus gap has occurred because a large number of women joined the IA towards the end of 2018 (when bonuses are paid), and were therefore not eligible for bonuses for the purposes of 2019 data snapshot.



WHAT WE ARE DOING TO CLOSE THE GAP

As the champion of an investment management industry supporting millions of savers, investors, and businesses, it is vital the IA and our industry reflects the society we serve. Despite the positive changes in our gender pay gap figures this year, we still have more to do to improve gender and diversity across the board, to attract and retain the best people.

No single action will close this gap. That's why we are taking action to increase diversity at all levels:

- » **Encouraging the next generation** – Investment 20/20 provides trainee and apprenticeship opportunities for individuals from diverse backgrounds who might not have considered an investment management career. Investment 20/20 participants regularly start their career in the IA itself, as well as with our members. At December 2019 the IA employed four I2020 trainees and three former trainees.
- » **Supporting a diverse culture** – the IA follows the Diversity Project's Principles which includes

setting diversity goals to be measured annually and to review recruitment and promotion practices to promote inclusion. Senior management have diversity as part of their KPIs which in turn affects their bonus and remuneration, and we run an annual equality and diversity staff survey that informs our equality, diversity and inclusion strategy.

- » **Championing flexible working** – attracting and retaining the best people means offering men and women the opportunity and support they need to balance family care with their careers. Over 10% of IA staff work part time and we offer working from home and flexible hours to employees. We will continue to identify options for employees to work more flexibly.
- » **Identifying best practice** – In March 2019 the IA launched 'Closing the Gap', a guide that sought to help businesses understand the factors that may contribute to the gender pay gap and how firms across the investment industry can take proactive steps to address their own pay gaps.

ANNEX

GENDER PAY GAP REPORTING

		2019	2018
<hr/>			
The mean gender pay gap		30.3%	38.5%
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The median gender pay gap		15.9%	31.9%
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The mean bonus pay gap		65.6%	63.7%
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The median bonus pay gap		31.3%	44.7%
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Males and females receiving any bonus pay		93.8% Male 75.4% Female	82.8% male 75.0% female
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Quartile distributions	Lower	30.4% Male 69.6% Female	27.8% male 72.2% female
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	Lower middle	31.8% Male 68.2% Female	35.3% male 64.7% female
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	Upper middle	31.8% Male 68.2% Female	41.2% male 58.8% female
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	Upper	50.0% Male 50.0% Female	64.7% male 35.3% female
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The Investment Association

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